

PERFORMANCE BASED AGREEMENTS

FY 1998 negotiations with Pacific Northwest are not complete and the contract was extended to June 28. BHI has completed all performance based contract incentives (PBCI) for the first period of FY 1998 with the exception of the incentive for N Basin Cleanout Activities, which was deferred to the second period of FY 1998. This change was due to increased workscope and an approved change to the Tri-Party Agreement milestone date for project completion. The new Tri-Party Agreement milestone due date for completion of the N Basin workscope is July 31. Therefore, BHI can only earn up to 88 points instead of 100 points for period 98-1. All incentives were completed to the satisfaction of the RL Environmental Restoration Project Managers as evidenced by the project managers' signature on the individual PBCI Notice of Completion forms. Data was also collected and is being evaluated by RL on BHI's performance to the performance standards. (Performance standards do not earn fee but fee can be deducted if the contractor does not meet the performance standards). The RL Assistant Manager for Environmental Restoration (AME) is preparing the 98-1 Performance Fee Determination, which is due to the Contractor by June 13. The PHMC PAs due in March 1998 are:

March 1998 – TWR 3.3.1 – W-314 – Valve Pit Upgrades (complete)

FS 2.1.1 – Complete construction of the WESF Ion Exchange System (complete)

FS 5.1.1 – Issue 324/327 Area Project Management Plan (complete)

SNF 5.1.1 – Establish Technical Baseline (projected completion date is August 25)

SOCIOECONOMIC GOALS

Socioeconomic Program Objective:

It is the policy of the government to aid, counsel, and protect, insofar as is possible, the interests of small business concerns in order to preserve free competitive enterprise, and ensure a fair proportion of the total contracts or subcontracts for the government be placed with small business concerns. In order to increase the contracting and subcontracting opportunities for small, disadvantaged, and women-owned small businesses (WOSB) at the Hanford Site, RL maintains a multi-faceted Small Business Program. The Federal Acquisition Regulations also authorize federal agencies and its contractors to set aside acquisitions exclusively for small business participation.

BHI, Pacific Northwest, HEHF, and the PHMC and its major subcontractors, have subcontracting plans contained within their respective contracts. These plans include the subcontracting goals (percentage) for small, disadvantaged, and WOSB. FY 1998 small

business goals were developed for BHI, HEHF, Pacific Northwest, and the PHMC based on the previous years' goals and the upcoming subcontracting opportunities, i.e., estimated subcontracting dollars for the FY 1998.

Outreach activities by RL and the Hanford Site contractors are another element of the Small Business Program. RL and the contractors attend local and regional small business conferences to advise and educate small businesses on how to do business with the Hanford Site.

Progress to date:

RL's FYTD performance appears to greatly exceed goals; however, sizeable large business contract awards – TWRS Privatization Contractor and Energy Savings Performance Contract - are scheduled for later in the fiscal year and will normalize the FYTD small business performance. The majority of obligations for the month of March were to small disadvantaged businesses.

HEHF's FYTD statistics appear to indicate they are meeting the small business goal and women-owned small business goal; however, small disadvantaged goal is not being met. Pacific Northwest FYTD statistics appear to indicate that they are not meeting the small business goal or the women-owned small business goal. They are, however exceeding the small disadvantaged goal. The PHMC's FYTD statistics appears to indicate that the small business goal is not being met; however, the small disadvantaged and the women-owned small business goals are being exceeded. BHI's FYTD statistics show that they are exceeding the FY 1998 goals. With the balance of the fiscal year remaining, it is anticipated that there will be ample opportunity to achieve the FY 1998 goals.

Sitewide statistics appear to indicate that the sitewide goals are being achieved.

BHI's regional and local data for the current month reflects adjustments that were made October – March 1998.

Initiatives/Outreach

- RL and contractor small business representatives continue to attend monthly planning meetings for the 1998 Mid-Columbia Small Business Conference scheduled for May.
- Coordination of workshop topics have been discussed and finalized for the above mentioned conference.

- In support of the DOE Women-Owned Small Business Campaign, RL and the contractor Small Business Program Representatives met with numerous women-owned small businesses to discuss procurement opportunities March 23 – 27. Several phone calls were also received from women-owned small businesses with questions regarding procurement opportunities.